

Exploring new ways to measure wellbeing: benefit to work transitions

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Each year many people find paid employment after being on an income-tested main benefit. Encouraging this transition has been a key focus of welfare policy in recent years. However, there is limited New Zealand evidence about the extent to which these transitions are associated with improvements in overall wellbeing.

In joint research with the Ministry of Social Development, [*Exploring new ways to measure wellbeing: benefit to work transitions*](#) [PDF, 1.2 MB] we use SIA's methodology to connect wellbeing measures with social service usage, and examine how wellbeing outcomes change when people transition from benefit into paid employment.

The paper uses data from the New Zealand General Social Surveys (NZGSS) linked to government administrative records.

Findings

The analysis shows increased incomes and more people indicating they had enough money to meet their daily needs once they transitioned from benefit into long-term employment. However, as would be expected, individuals who transitioned also indicated they had less free time.

The data shows no change in household crowding, and some indications of an increase in people indicating their houses had problems with dampness.

This study found very small improvements in other outcomes including mental health and life satisfaction, although none of these were statistically significant.

An important observation from the study is that the underlying prevalence of several poor outcomes remain high for up to six months after the transition to employment.

The research looked at the following indicators:

- employed for one hour or more in the last week
- net personal income in the 30 days prior to the survey date
- enough income to meet every day needs for such things as accommodation, food, clothing and other necessities
- assessment of 'enough free time'
- sufficient bedrooms for all members of the household
- house free of dampness
- feel safe walking in neighbourhood after dark
- easy to be yourself in New Zealand (cultural identity)
- very good or excellent self-rated health
- SF12 physical health score
- SF12 mental health score
- in the last four weeks have not felt lonely
- overall life satisfaction.

NOTE: SF12 is a 12-item measure to assess physical and mental health in relation to eight health scales: physical functioning, role limitations due to physical problems, bodily pain, general health perceptions, vitality, social functioning, role limitations due to emotional problems and mental health.

Caveats

The data and methodology used for this analysis has several limitations. Some caution is required when interpreting the results due to the small sample size. As more NZGSS data becomes available it will be possible to repeat this analysis with a larger sample.

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